

CENTRAL AMERICAN MATTERS.

THE CHESAPEAKE AND OHIO CANAL.

Being one of the holders of the preferred bonds issued by the Chesapeake and Ohio Canal Company, I have recently examined into the security offered by the books of that company for the payment of the principal and interest of its preferred bonds, and was a good deal surprised to discover that the holders of the \$1,700,000 of bonds issued to complete the canal have no power to enforce their payment. These bonds were issued in pursuance of the provisions of an act of the general assembly of Maryland, passed March 10th, 1845. Prior to that, the State of Maryland, to secure the payment of interest and principal of a loan of a large amount, held a preferred lien or mortgage on the whole of the net revenues, and of the water-rights, lands and other property of the canal company. By this act of 1845, the State consented to waive the right thus secured, so far as the revenues of the canal company were affected, in favor of those who might purchase bonds, not exceeding \$1,700,000 in amount, to be issued by the canal company. So that the holders of these preferred bonds can look only to the revenues of the canal company for their payment. Not only so, but in the act of March 10, 1845, the State stipulated expressly that the president and directors of the company shall, at all times, have power to use the tolls and revenues of the company to keep the canal in good condition, to provide the requisite supply of water, and to pay salaries of officers and agents, and the current expenses of the company.

Seeing this, it is not high time for the holders of these bonds to look to the nature and value of the security we hold. The interest on these bonds has not been paid. Adding to the principal the interest due, and we have a debt of not less than \$2,500,000. To this sum we are to add not less than \$800,000 to pay the debt due to the old Potomac Company, and to pay for repairs and other expenses authorized by the president and directors in pursuance of power given to them by the act of March 10, 1845, and for which the revenues of the company are to be used first to pay before any part of them can be applied to the payment of the \$2,500,000 due on bonds issued to complete the canal to Cumberland. The figures from which my estimate of the amount of these debts is made will be found in a table appended to the report of the president of the canal company made to the stockholders in June. How much money has been borrowed for building dams Nos. 4 and 5, and for other expenses since June last, we know not. Neither do we know how much money is to be expended to complete these dams and to keep the canal in navigable order. Nor do we know how much the expenditures for repairs will exceed the net incomes of the company, annually, hereafter. It may not be unreasonable to estimate the sum required to pay expenses incurred for repairs since June last, to pay for dams Nos. 4 and 5, when completed, and to put the canal in good navigable order, at \$450,000. And if, in this estimate, I am right, where, let me ask, is this large sum of money to come from? And if loaned, how is it to be repaid?

It will be perceived that the debts of the company, created for repairs and other purposes, and constituting a lien on its revenues prior to that of the holders of the bonds issued to complete the canal, amounted in June to \$600,000. Add to this \$450,000 more, and we shall have \$1,050,000 of debts, bearing an interest of \$75,000 per annum, to be paid out of the net revenues before the holders of these preferred bonds can be entitled to receive the interest on their claims. Looking to the experience of the past, it may not be unreasonable to assume that at least \$900,000 annually of the incomes of the company will be required to pay for ordinary repairs, and to defray other unavoidable expenditures. If so, and to that sum the \$75,000 necessary to pay interest on debt incurred and to be incurred, as I have stated, and we have an annual expenditure of \$1,650,000 to be taken from the tolls of the company, which sum exceeds the average annual amount that can be anticipated from tolls for several years to come, unless there is a very great and unexpected change in the present depressed condition of the coal commerce of the Alleghenies.

Under such circumstances, and with the certainty that a new invasion was in course of preparation on the northern shore, which invasion has taken place at the San Juan river, of which fact your excellency must be already aware, your government, we do not doubt, will do justice to that of Costa Rica, granting them the right of looking themselves to their own security—a right which all nations are entitled, being nothing more than a very natural obligation which they cannot dispense with when they have grounds for apprehensions, in which case, your excellency well knows the law of the strongest, and the use of force and any other means to make this great principle effectual.

Nicaragua—or what is the same, the provisional government—has pretended to show by its publications that Costa Rica intended to take by surprise the fortresses of Castillo Viejo and San Carlos, without the consent of that republic had taken leave from the filibuster forces, which had been willingly given up to him (by Nicaragua); that through her commissioner she delivered San Carlos, without being required to do so, and that if she kept Castillo Viejo, it was with the full consent of Nicaragua. Your excellency, sir, will observe that the many services she has received from Costa Rica, attempted to starve the garrison that held the castle and the steamers, having given express orders to the commander of San Carlos not to allow any Costa Rican vessels to pass by that fortress—a harsh measure, which had two very important effects: first, the weakening of the Castillo by want of provisions; and, second, compelling Costa Rica to blockade the fortress, in order to prevent the annihilation of the forces at Castillo, and at the same time saving the river steamers from the filibuster forces, which were about to invade the country again, as it subsequently happened. Such a course of conduct, pursued by Costa Rica, which, notwithstanding the events that have taken place lately, has sought to bring into play all means tending to prevent difficulties, which doubtless would bring ruin on all Central America. With such intention it did not hesitate a moment in ordering the undersigned to come to terms of peace and harmony with Nicaragua, not for fear of its army, but because it wished by every means to avoid the consequences of an appeal to arms. The fortress of the river remains, therefore, sir, in the hands of the Nicaraguans, and Costa Rica free of all responsibility, assuring your excellency that the undersigned is fully empowered to do all that will be required to communicate the above to His Excellency the President of the republic, and accept the kind regards with which we subscribe ourselves,

JOSE MARIA CANAS,
JOSE EMILIANO QUADRES.

WALKER'S CAPTURE IN ENGLAND.

(From the London Times, January 13.)
If the reader is disposed to enjoy a pretty *indefinite* events on the American isthmus will furnish him with such an opportunity as is rarely found. As it happens, we can look on with the serenity of simple spectators, though it seems that our escape was a narrow one, and that we were within an ace of getting entangled like others.

That Walker's expedition was in violation of both American and public law, there can be no doubt. The governments of the United States and Nicaragua are at peace with each other, and the invasion of the territories of the latter by an armed force from those of the former cannot be considered a *manifest* outrage upon the independence of the State attacked. But this is precisely what Commodore Paulding's own act amounts to; for he, no less than Walker, stood debarred from any descent on the Nicaraguan territory, except on the regulation of his lawful authority, and he, no less than Walker, never received, and he consequently violated, the territorial rights of a friendly government in the same way as the filibuster himself. True it is that the objects of the two were widely different—that of one being aggression and that of the other defense—but the acts were identically the same. Both Walker and Paulding having landed on arms on the territory of a foreign government at peace with their own. The general, of course, has not been slow to discover this flaw in the procedure, and his demands have kept pace with the perplexities of his opponents, until the result has become remarkable in the extreme. Commodore Paulding sent him on his parole to New York, there to deliver himself into the custody of the proper officer, the United States marshal—a condition which the general duly fulfilled. The marshal carried his prisoner to Washington, but the authorities at

preparation, either discerning the trespass committed, or, unprepared, for so comprehensive an execution of their duty, declined to arrest him, and he was free to leave to recognize the captain. All this was charming to the filibuster and his friends, who have accordingly "ride" on the last advice inform us, Walker demands to be carried back to the isthmus in a national vessel, and to have his flag saluted by the guns of the said ship after he has been reinstated in his quarters on shore. As for poor Commodore Paulding, he is ordered home to take his trial by a court-martial.

These results constitute, it will be owned, a pretty particular "fix," and though common sense might find a way out of the difficulty, it is more than likely for last to do the same. Commodore Paulding, in arresting Walker, has done exactly what he was ordered to do, and after the very fashion most desirable, in so far as he has utterly nullified the expedition, and avoided all bloodshed to boot. Without firing a gun, he has brought Walker from Nicaragua, and set him down in the streets of Washington. Unfortunately, in doing this, he himself committed, though with all good intent, the offense with which Walker was chargeable. It will naturally occur to every reader that this offense, after all, was against the Nicaraguan rather than the American government; that the view of complaint devolves upon the former power, and that, under the circumstances, it might be expected to view the trespass with considerable indulgence. It is perhaps, however, impossible that the government of a State could omit to take cognizance of an act overtly committed by one of its own officers in violation of the independence of another State, so that the court-martial on Captain Paulding may be a necessity, though it would certainly be hard if his successful and should entail serious censure. The disposal of the filibuster seems to furnish a puzzle in itself. But he was captured by an unlawful act beyond a question; but it is also beyond a question that he himself had committed a similar act, and with bad motives, too. If the American government proceeds rigorously against Commodore Paulding for the violation of the Nicaraguan territory, how can it leave General Walker scot free, who also violated the same territory with far worse intent? If the illegality of the arrest emboldens Walker to demand reasons being of greater value than the law, and if Nicaragua demands after the self-conviction of this general by his late descent on their coasts? The American government, in whose power and under whose control the filibuster has now been placed, proclaimed their estimate of his expedition by issuing formal orders for its stoppage; and it is not to be expected that they should argue that they should now carry him back and place him in the identical position which they stand bound to deliver him by all means in their power from ever attaining. Possibly the unlawfulness of the procedure by which he was removed may invest him, in the eyes of some courts, with certain claims, but the rest of the world can hardly be carried to such a length as this. If he cannot be legally detained as a prisoner, in virtue of his recent capture, he can surely be legally prevented from again invading Nicaragua; and the condemnation of his unauthorized offense would be a pretty good set-off against his "false imprisonment" of the rest of the world. The illegality of the arrest is the party chiefly interested, and that government would probably be exceedingly well content if Commodore Paulding were honorably acquitted, and General Walker restrained from further acts of aggression.

PRESENT STRENGTH AND DISTRIBUTION OF THE ARMY OF THE UNITED STATES.

Statement showing the number of troops in the several Military Departments according to the latest returns received at the Adjutant General's Office.

DEPARTMENT OF THE EAST.		
Posts.	Aggregate.	Remarks.
Headqrs. dept. of the East	1	1 light company 1st artillery.
Fort Adams, R. I.	1	1 light company 2d artillery.
Fort Independence, Mass.	92	1 light company 2d artillery.
Fort Hamilton, N. Y.	149	2 com. 2d art. headqrs. 2d art.
Fort Mifflin, Pa.	149	1 company 1st artillery.
Fort Monroe, Va.	285	2 com. 1st art., 1 com. 3d art., and 1 com. 4th art.
Fort Moultrie, S. C.	144	2 com. 1st art. headqrs. 1st art.
Baton Rouge barracks, La.	9	1 company 1st artillery.
DEPARTMENT OF FLORIDA.		
Fort Dallas, Fla.	175	2 companies 1st artillery.
Fort Capron, Fla.	17	1 company.
Fort Duval, Fla.	17	1 company.
Department staff	9	
DEPARTMENT OF THE WEST.		
Department staff	11	
Fort Riley, Mo. T.	44	1 company 2d infantry.
Fort Snelling, Minn.	141	2 companies 2d artillery.
Fort Tule, Tex.	240	2 com. 2d inf. reg. headqrs. 2d inf. reg.
Fort Union, N. T.	215	6 companies 2d infantry.
Fort Laramie, W. T.	238	2 com. 6th inf. reg. 2 com. 7th inf. reg.
Fort Kearney, N. T.	74	1 com. 6th infantry.
Fort Leavenworth, K. T.	1,047	2 com. 2d inf. reg., 5 com. 1st cav., 5 com. 2d cav., 1 com. 3d art., 6 com. 4th art., and 6 com. 6th infantry, headqrs. 4th art. headqrs. 6th infantry.
Fort Riley, Mo. T.	430	5 com. 1st cav., 1 com. 6th infantry, headqrs. 1st cavalry.
Fort Smith, Ark.	107	2 companies 7th infantry.
Fort Arles, Cal.	109	5 com. 7th inf. headqrs. 7th inf.
Fort Huachuca, Cal.	109	1 company 7th infantry.
ARMY OF UTAH	1,587	Headquarters and 8 com. 2d reg. 1 light company 4th art., 6th and 10th regiments of infantry.